



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

RECEIVED

24 JAN -2 P2:53

**ADMINISTRATIVE APPLICATION - CERTIFICATE OF NEED PROGRAM**

Application Number: # 23-12A  
To be assigned by Agency

Date of Receipt: ST. HENRI PLNG & DEV. AGENCY

**APPLICANT PROFILE**

Project Title: Acquisition of All Access Ortho Including Diagnostic Radiology Services

Project Address: 1401 S. Beretania Street, Suite 102, Honolulu, HI 96814  
95-1830 Meheula Parkway, Suite C-10 & C-11, Mililani, HI 96789  
4850 Kapolei Parkway, Building F, Kapolei, HI 96707

Applicant Facility/Organization: All Access Ortho O'ahu, LLC

Name of CEO or equivalent: Art Gladstone

Title: President

Address: 55 Merchant Street, 27<sup>th</sup> Floor, Honolulu, HI 96813

Phone Number: (808) 535-7202 Fax Number: (808) 535-7412

Contact Person for this Application: Michael Robinson

Title: Vice President, Government Relations & Community Affairs

Address: 55 Merchant Street, 27<sup>th</sup> Floor, Honolulu, HI 96813

Phone Number: (808) 535-7124 Fax Number: (808) 535-7412

**CERTIFICATION BY APPLICANT**

I hereby attest that I reviewed the application and have knowledge of the content and the information contained herein. I declare that the project described and each statement amount and supporting documentation included is true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Art Gladstone

President

\_\_\_\_\_  
Name (please type or print)

\_\_\_\_\_  
Title (please type or print)

RECEIVED

23 DEC 20 P 3:35

STATE PLANS  
& DEV. AGENCY

1. TYPE OF ORGANIZATION: (Please check all applicable)

- Public \_\_\_\_\_
- Private   X
- Non-profit \_\_\_\_\_
- For-profit   X
- Individual \_\_\_\_\_
- Corporation \_\_\_\_\_
- Partnership \_\_\_\_\_
- Limited Liability Corporation (LLC)   X
- Limited Liability Partnership (LLP) \_\_\_\_\_
- Other: \_\_\_\_\_

2. PROJECT LOCATION INFORMATION

A. Primary Service Area(s) of Project: (please check all applicable)

- Statewide: \_\_\_\_\_
- O`ahu-wide:   X
- Honolulu:   X
- Windward O`ahu: \_\_\_\_\_
- West O`ahu:   X
- Maui County: \_\_\_\_\_
- Kaua`i County: \_\_\_\_\_
- Hawai`i County: \_\_\_\_\_

3. DOCUMENTATION (Please attach the following to your application form):

Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent): **[See Attachment A, Letter of Intent]**

A. A listing of all other permits or approvals from other government bodies (federal, state, county) that will be required before this proposal can be implemented (such as building permit, land use permit, etc.)

- **Hawai'i State Licensure**
- **American College of Radiology accreditation**
- **Medicaid Certification**
- **Medicare Certification**

B. Your governing body: list by names, titles and address/phone numbers

- **[See Attachment B]**

RECEIVED

C. If you have filed a Certificate of Need Application this current calendar year, you may skip the four items listed below. All others, please provide the following:

- Certificate of Authority [See Attachment C]
- Company Agreement: [See Attachment D]
- Partnership Agreements: N/A
- Tax Key Number (project's location): See below:
  - 1401 S. Beretania Street, Suite 102, Honolulu, HI 96814
    - 240050510000
    - 240050520000
    - 240050270000
    - 240050280000
  - 95-1830 Meheula Parkway, Suite C-10 & C-11, Mililani, HI 96789
    - 950490930000
  - 4850 Kapolei Parkway, Building F, Kapolei, HI 96707
    - 911480080002

23 DEC 20 P3:35

SEARCHING & DEL. AGENCY

4. **TYPE OF PROJECT.** This section helps our reviewers understand what type of project you are proposing. Please place an "x" in the appropriate box.

	Used Medical Equipment (over \$400,000)	New/Upgraded Medical Equip. (over \$1 million)	Other Capital Project (over \$4 million)	Change in Service/Change in Ownership	Change in Beds
Inpatient Facility					
Outpatient Facility			X	X	
Private Practice					

5. **BED CHANGES.** Please complete this chart only if your project deals with a change in your bed count and/or licensed types. Again, this chart is intended to help our reviewers understand at a glance what your project would like to accomplish. Under the heading "Type of Bed," please use only the categories listed in the certificate of need rules.

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
N/A	N/A	N/A	N/A

6. PROJECT COSTS AND SOURCES OF FUNDS RECEIVED

A. List All Project Costs:

23 DEC 20 P3 :36

AMOUNT:

- |    |  |                     |
|----|--|---------------------|
| 1. | Land Acquisition   | _____               |
| 2. | Construction Contract  | _____               |
| 3. | Fixed Equipment  | _____               |
| 4. | Movable Equipment  | _____               |
| 5. | Financing Costs  | _____               |
| 6. | Fair Market Value of assets acquired by<br>lease, rent, donation, etc. | _____               |
| 7. | Other: FMV of acquired assets  | <u>\$22,140,000</u> |

SIHLIP-PLM  
& DEV. AGENCY

**TOTAL PROJECT COST: \$22,140,000**

B. Source of Funds

- |    |                      |                     |
|----|----------------------|---------------------|
| 1. | Cash                 | <u>\$22,140,000</u> |
| 2. | State Appropriations | _____               |
| 3. | Other Grants         | _____               |
| 4. | Fund Drive           | _____               |
| 5. | Debt                 | _____               |
| 6. | Other: _____         | _____               |

**TOTAL SOURCE OF FUNDS: \$22,140,000**

7. **CHANGE OF SERVICE:** If you are proposing a change in service, then please briefly list what services will be added/modified. Be sure to include the establishment of a new service or the addition of a new location of an existing service. Please reference the Certificate of Need Rules Section 11-186-5 for the categories of services. If you are unable to determine which category best describes your project, please consult with agency staff.

All Access Ortho O'ahu, LLC ("AAOO") is filing this application for approval to acquire the membership interests and assets of All Access Ortho, LLC ("AAO"). AAO is a wholly owned physician practice specializing in orthopedics, sports medicine, and emergency medicine and has been providing services since 2013. AAOO is a newly formed company that is 60% owned by Hawai'i Pacific Health Partners Inc (HPHPI) and 40% owned by the current physician owners of AAO. AAO also owns and operates equipment to provide radiologic (X-ray) services at (a) 1401 S. Beretania Street, Suite 102, Honolulu, HI 96814; (b) 95-1830 Meheula Parkway, Suite C-10 & C-11, Millilani, HI 96789; and (c) 4850 Kapolei Parkway, Building F, Kapolei, HI 96707. Following AAOO's acquisition of AAO, AAOO will become the provider of AAO's existing X-ray and orthopedic services at the locations listed above.

The application does not involve the establishment of a new service and only involves an acquisition of membership interests and assets to enable continued delivery of existing services currently being provided by AAO.

8. **IMPLEMENTATION SCHEDULE:** Please present a projected time schedule for the completion of this project from start to finish. Include all of the following items that are applicable to your project:
- a) Date of site control for the proposed project: May 26, 2023
  - b) Dates by which other government approvals/permits will be applied for and received: January 2024
  - c) Dates by which financing is assured for the project: N/A
  - d) Date construction will commence: N/A
  - e) Length of construction period: N/A
  - f) Date of completion of the project: February 2024
  - g) Date of commencement of operation: N/A

Please remember that the Agency does monitor the implementation of Certificates approved. Non-implementation of a project as described in your application may result in a fine and/or withdrawal of the certificate of need.

9. **EXECUTIVE SUMMARY:** Please present a brief summary of your project. In addition, provide a description of how your project meets each of the certificate of need criteria listed below. If a new location is proposed, please attach an easy to read map that shows your project site.

RECEIVED

'23 DEC 20 P 3:36

**a) Relationship to the State Health Services and Facilities Plan (HSFP).**

The X-ray and orthopedic services to be acquired and operated by AAOO meet the general principles of the Statewide Health Coordinating Council (SHCC) and the priorities of the Honolulu Subarea Council (HONSAC) and West O'ahu Subarea Council (West O'ahu SAC) priorities which this project will serve.

The proposed project meets the Statewide Health Coordinating Council (SHCC) General Principles to promote and support the long-term viability of the health care delivery system by providing access to X-ray services at locations to populations in urban and west Honolulu. The project also supports SHCC general principle to maintain overall access to quality health care at a reasonable cost by supporting the better coordination of the provision of X-ray and orthopedic diagnostic services to care resources available within the HPH affiliated facilities services.

The proposed project supports the Honolulu (HONSAC) priorities to identify and address workforce shortages in the health care industry with particular emphasis on senior care services through AAOO's investment to support the provision of X-ray and orthopedic services which are needed by elderly patients.

The proposed project will meet the West O'ahu SAC priorities of improving and increasing access to acute care, specialty care, and urgent/potentially emergency care through the provision of x-ray and orthopedic services.

**b) Need and Accessibility**

The acquisition will not have an impact on the need or accessibility of AAO's current services that has been provided to the community since 2013. The facilities and services will continue to be accessible to all residents and visitors on O'ahu, including the elderly, low-income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups.

**c) Quality of Service/Care**

The facilities will continue to comply with applicable federal and state statutes and regulations governing the delivery of care, maintenance of service equipment and the clinical environment. The acquisition by AAOO will improve upon the quality of care currently being delivered by AAO through the additional members managing this service. AAOO will bring enhanced quality assurance policies through additional governance and oversight via Hawai'i Pacific Health Partners Inc. (HPHPI) members introduced to current operations as proposed through this certificate of need application.

RECEIVED

d) **Cost and Finances (include revenue/cost projections for the first and third year of operation)**

The proposed acquisitions are expected to remain profitable from Year 1 of acquisition. See attached statement of financial projections Year 1 to Year 3. [See Attachment E].

23 DEC 20 P 3:36

STATE HEALTH  
& DEV. AGENCY

e) **Relationship to the existing health care system**

The proposed acquisition is not expected to have any negative effect on the existing health care system as it is a continuation of existing services.

f) **Availability of Resources**

The proposed project will utilize existing equipment and resources on-site, including the current staff. No additional employees are required as a result of the proposed acquisition. AAOO will have access to additional financial resources from its members – HPHPI and physician partners – as well as financing arrangements from HIPHI's parent organization Hawai'i Pacific Health to fund the acquisitions and provide operating capital.

10. **Eligibility to file for Administrative Review.** This project is eligible to file for Administrative review because: (Check all applicable)

\_\_\_\_\_ It involves bed changes, which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.

\_\_\_\_\_ It involves service changes which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.

\_\_\_\_\_ It is an acquisition of a health care facility or service, which will result in lower annual operating expenses for that facility, or service.

\_\_\_\_\_ It is a change of ownership, where the change is from one entity to another substantially related entity.

\_\_\_\_\_ It is an additional location of an existing service or facility.

X  The applicant believes it will not have a significant impact on the health care system.